

COMMUNITY OPPORTUNITIES, INC.  
D/B/A NEW OPPORTUNITIES, INC.

INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2015

# NEW OPPORTUNITIES, INC.

## Table of Contents

		<u>Page</u>
Board of Directors		1
Independent Auditor's Report		2
	<u>Exhibit</u>	
Financial Statements:		
Statement of Financial Position - All Funds	A	4
Statement of Activities - All Funds	B	5
Statement of Changes in Net Assets - All Funds	C	6
Statement of Functional Expenses - Administrative Fund and Program Funds	D	7
Statement of Cash Flows	E	8
Notes to Financial Statements		10
	<u>Schedule</u>	
Supplemental Information:		
Schedule of Activities - Program Funds	1	22
Schedule of Expenditures of Federal Awards	2	25
Schedule of Revenues and Expenditures Compared to Budget:		
Community Services Block Grants	3	28
Low-Income Home Energy Assistance Program	4	29
Weatherization Assistance Programs	5- 8	30
Schedule of Revenues and Expenditures: Administrative Fund	9	34
Comments and Recommendations:		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		35
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133		37
Schedule of Findings and Questioned Costs		39

NEW OPPORTUNITIES, INC.

BOARD OF DIRECTORS

Executive Board of Directors

Eugene Meiners	President
Rick Hecht	Vice President
Joyce Morris	Secretary
Jon Hays	Treasurer

Board Members

<u>County</u>	<u>Representing</u>		
	<u>Government</u>	<u>Low-Income</u>	<u>Private</u>
Audubon	Gary VanAernam	Vacancy	Jon Hays
Calhoun	Gary Nicholson	Owen Englin	Vacancy
Carroll	Eugene Meiners	Vacancy	Vacancy
Dallas	Mark Hanson	Pastor Enna Antunez	Chuck Yanders
Greene	Tom Contner	Joyce Morris	Teresa Mobley
Guthrie	Tom Rutledge	Lois Eivins	Teresa Mowrer
Sac	Rick Hecht	Kathy Brenny	Lynn King

Agency Officials

Chad Jensen	Chief Executive Officer
Sheri Mertz	Chief Financial Officer

# Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

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CHRISTOPHER J. NELSON  
DAVID A. GINTHER

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
New Opportunities, Inc.  
Carroll, Iowa

### **Report on the Financial Statements**

We have audited the accompanying Statement of Financial Position of New Opportunities, Inc. as of September 30, 2015 and the related Statements of Activities, Changes in Net Assets, Functional Expenses, and Cash Flows for the year then ended, and the related Notes to the Financial Statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors  
New Opportunities, Inc.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Opportunities, Inc. as of September 30, 2015, and the changes in its net assets and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

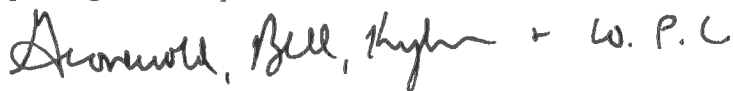
### **Other Matters**

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the year ended September 30, 2014 (which are not presented herein) and expressed an unmodified opinion on those financial statements. The supplementary information included on page 1 and on Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2016 on our consideration of New Opportunities, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering New Opportunities, Inc.'s internal control over financial reporting and compliance.

 Donald Bell, CPA + W. P. C

Atlantic, Iowa  
February 1, 2016

NEW OPPORTUNITIES, INC.  
Statement of Financial Position  
All Funds  
September 30, 2015

ASSETS	Administrative Fund	Program Funds	Plant Fund	Total
Cash	\$ 143,100	\$ 686,240	\$ --	\$ 829,340
Investments	19,504	--	--	19,504
Receivables:				
Grantor agencies	--	825,970	--	825,970
Other sources	97	163,704	--	163,801
Prepaid expenses	52,709	14,698	--	67,407
Inventory	15,047	--	--	15,047
Deferred financing costs	34,340	--	--	34,340
Property and equipment at cost, less accumulated depreciation of \$750,363	--	--	1,954,071	1,954,071
Total Assets	<u>\$ 264,797</u>	<u>\$ 1,690,612</u>	<u>\$ 1,954,071</u>	<u>\$ 3,909,480</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Payables:				
Accounts	\$ 16,453	\$ 373,331	\$ --	\$ 389,784
Salaries and benefits	37,895	285,162	--	323,057
State advance	--	32,087	--	32,087
Advances from grantors	8,132	550,013	--	558,145
Revenue bond	1,107,510	--	--	1,107,510
Total Liabilities	1,169,990	1,240,593	--	2,410,583
Net Assets				
Unrestricted	( 905,193)	--	1,790,596	885,403
Temporarily restricted by grantor agencies	--	450,019	163,475	613,494
Total Net Assets	<u>( 905,193)</u>	<u>450,019</u>	<u>1,954,071</u>	<u>1,498,897</u>
Total Liabilities and Net Assets	<u>\$ 264,797</u>	<u>\$ 1,690,612</u>	<u>\$ 1,954,071</u>	<u>\$ 3,909,480</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Statement of Activities  
All Funds  
Year Ended September 30, 2015

	Administrative Fund	Program Funds	Plant Fund	Total
Revenues:				
Governmental Funding Sources:				
Iowa Department of Human Rights	\$ --	\$ 2,792,150	\$ --	\$ 2,792,150
U.S. Department of Health and Human Services	--	2,118,021	--	2,118,021
Iowa Department of Public Health	--	1,703,536	--	1,703,536
Iowa Department of Education	--	864,817	--	864,817
Iowa Department of Human Services	--	240,490	--	240,490
U.S. Department of Homeland Security	--	7,603	--	7,603
Various	--	33,230	--	33,230
In-Kind Contributions	--	607,844	--	607,844
Public Support and Contributions	--	454,805	--	454,805
Co-Funding	--	85,442	--	85,442
Investment Income	549	1	--	550
Rental Income	121,533	--	--	121,533
Investment in Plant	--	--	100,212	100,212
Miscellaneous	5,820	562,499	--	568,319
Total Revenues	127,902	9,470,438	100,212	9,698,552
Expenses:				
Head Start	--	2,798,002	--	2,798,002
Community Services Block Grant (CSBG)	--	205,068	--	205,068
Low-Income Home Energy Assistance Program (LIHEAP)	--	1,814,012	--	1,814,012
Weatherization Assistance	--	412,703	--	412,703
Maternal and Child Health	--	238,218	--	238,218
Family Planning	--	235,266	--	235,266
Women, Infants and Children (WIC)	--	399,168	--	399,168
Child and Adult Care Food Program (CACFP) - Homes	--	364,742	--	364,742
Substance Abuse Programs	--	1,115,687	--	1,115,687
Empowerment Programs	--	484,339	--	484,339
Other Programs	--	1,261,420	--	1,261,420
Administration	89,380	--	--	89,380
Depreciation	--	--	130,212	130,212
Total Expenses	89,380	9,328,625	130,212	9,548,217
Excess of Revenues Over Expenses (Expenses Over Revenues)	38,522	141,813	( 30,000)	150,335
Change in Unrealized Gains and Losses on Investments, Other Than Trading Securities	( 2,114)	--	--	( 2,114)
Change in Net Assets	\$ 36,408	\$ 141,813	\$( 30,000)	\$ 148,221

See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Statement of Changes in Net Assets  
All Funds  
Year Ended September 30, 2015

	<u>Administrative Fund</u>	<u>Program Funds</u>	<u>Plant Fund</u>	<u>Total</u>
Net Assets at Beginning of Year	\$( 941,601)	\$ 308,206	\$ 1,984,071	\$ 1,350,676
Change in Net Assets	<u>36,408</u>	<u>141,813</u>	<u>( 30,000)</u>	<u>148,221</u>
Net Assets at End of Year	<u><u>\$( 905,193)</u></u>	<u><u>\$ 450,019</u></u>	<u><u>\$ 1,954,071</u></u>	<u><u>\$ 1,498,897</u></u>

See notes to financial statements.



NEW OPPORTUNITIES, INC.  
Statement of Functional Expenses  
Administrative Fund and Program Funds  
Year Ended September 30, 2015

	Administrative Fund	Program Funds	Total
Salaries and wages	\$ 352,848	\$ 2,553,667	\$ 2,906,515
Fringe benefits	112,373	850,871	963,244
Assistance to individuals	--	3,113,303	3,113,303
Professional fees and contracted services	27,501	251,197	278,698
Travel	5,515	184,149	189,664
Occupancy	19,297	298,982	318,279
Utilities and telephone	6,593	87,393	93,986
Supplies and materials	20,811	353,786	374,597
Equipment	1	172,441	172,442
Printing, publications and postage	2,616	41,487	44,103
Insurance	4,285	32,231	36,516
Interest expense	73,805	--	73,805
Amortization	1,584	--	1,584
Miscellaneous	11,535	146,448	157,983
Co-funding	--	85,442	85,442
In-kind:			
Labor	--	73,346	73,346
Materials and other	--	534,498	534,498
 Total Expenses Before Allocation of Indirect Costs	 638,764	 8,779,241	 9,418,005
Allocation of indirect costs	( 549,384)	549,384	--
Total Expenses	<u>\$ 89,380</u>	<u>\$ 9,328,625</u>	<u>\$ 9,418,005</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Statement of Cash Flows  
Year Ended September 30, 2015

Cash flows from operating activities:	
Cash received from State Agencies	\$ 5,545,378
Cash received from Federal Grantors	2,103,128
Contributions received	454,805
Investment income	550
Other receipts	502,405
Cash paid to employees and suppliers	( 8,302,506)
Interest paid	( 73,805)
Net cash provided by operating activities	<u>229,955</u>
Cash flows from investing activities:	
Payments to acquire property and equipment	( 100,212)
Cash flows from financing activities:	
Principal paid on revenue bond	<u>( 51,092)</u>
Net increase in cash	78,651
Cash and cash equivalents at beginning of year	<u>750,689</u>
Cash and cash equivalents at end of year	<u>\$ 829,340</u>

(continued next page)

NEW OPPORTUNITIES, INC.  
Statement of Cash Flows - Continued  
Year Ended September 30, 2015

Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ 148,221
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	130,212
Amortization	1,584
Change in unrealized gains and losses on investments	2,114
Changes in assets and liabilities	
Receivables	( 197,454)
Prepaid expenses	( 63,796)
Inventory	1,017
Payables	187,858
Advances from grantors	20,199
Total adjustments	<u>81,734</u>
Net cash provided by operating activities	<u>\$ 229,955</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Community Opportunities, Inc. d/b/a New Opportunities, Inc. (the Agency), a not-for-profit corporation, is a community action agency that serves the Iowa counties of Audubon, Calhoun, Carroll, Dallas, Greene, Guthrie, and Sac. New Opportunities, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Agency is required to file a Form 990 (which is subject to audit by the Internal Revenue Service) annually, to maintain its exempt status. The Agency's open audit periods are for years ended September 30, 2012 through 2015.

New Opportunities, Inc. administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund. As indicated on Exhibit B, the Agency received approximately 77% of its revenues from four governmental funding sources. The Agency has renewed substantially all of these governmental funding sources for fiscal year October 1, 2015 to September 30, 2016.

The Agency's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board for non-profit corporations.

B. Fund Accounting

The accounts of New Opportunities, Inc. are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenses. The various funds are summarized as follows in the financial statements:

Administrative Fund - The Administrative Fund represents funds derived from local sources such as donations, rents and miscellaneous activities. The Agency's overall management and administrative expenses are charged to this fund and then allowable indirect costs are allocated to the various programs which the Agency administers.

Program Funds - Program Funds are used to account for the revenues and expenses that are contractually restricted by the funding source for specific purposes.

Plant Fund - The Plant Fund is used to accumulate the net investment in fixed assets and to account for the unexpended resources contributed specifically for the purpose of acquiring fixed assets for the Agency.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Purchases of property and equipment providing future benefits are recorded as expenses in the program at the time of purchase and capitalized in the plant fund.

D. Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Temporarily restricted net assets are those whose use by the Agency has been limited by grantor agencies to a specific time period or purpose.

Revenues and expenses are reported as increases or decreases in unrestricted net assets unless use of the related assets is limited by donor- or grantor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

E. Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the combined statement of financial position:

Cash and Cash Equivalents - The Agency considers demand deposits and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses (expenses over revenues) unless the income or loss is restricted by donor or law. Unrealized gains or losses are recorded in investment income (loss) on trading securities and as a change in net assets on available for sale and held to maturity securities.

Receivables from Grantor Agencies - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from Grantor Agencies represent an excess of expenditures over cash basis reimbursements at year end.

All receivables are considered fully collectible. Accordingly, no provision for uncollectible amounts has been recorded.

Receivables/Payables from Other Funds - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transactions between funds had not been paid or received as of September 30, 2015, balances of interfund amounts receivable or payable have been recorded.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prepaid Expenses - Prepaid expenses consist of the unexpired portion of insurance premiums for Agency auto, liability, property damage, and worker's compensation coverage.

Inventory - Inventory is valued at the lower of cost or market. Cost is determined on the first-in, first-out basis. The costs of inventories are recorded as expenses when consumed rather than when purchased.

Property and Equipment - Property and equipment are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

Property and equipment purchased are recorded as expenses in the fund purchasing the asset. The purchases are then capitalized in the plant fund accumulating the net investment in fixed assets. Depreciation has been provided in the plant fund using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 25 years. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value.

Expenses for maintenance, repairs and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized into the Plant Fund. The cost of assets disposed of is deleted. No interest costs were capitalized during the year ended September 30, 2015.

Advances From Grantors - Advances from grantors represents an excess of cash advances by the funding source over accrued expenses at year end.

Compensated Absences - Employees of the Agency accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities of the Administrative Fund. This liability has been computed based on rates of pay in effect at September 30, 2015.

Advertising and Promotion Costs - Advertising and promotion costs are expensed as they are incurred. Advertising and promotion costs totaled \$43,288 during the year ended September 30, 2015.

F. In-Kind Contributions

The Agency recognizes donated labor, services, materials and rent-free or rent-reduced usage of facilities and equipment as in-kind revenues at the time the services and materials are received. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with grant requirements.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Total Column

The total column on the combined statements of financial position, activities, and functional expenses is presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INDIRECT COST RATE AGREEMENT

New Opportunities, Inc. entered into an Indirect Cost Rate Agreement with their cognizant agency, Department of Health and Human Services, setting a predetermined Indirect Cost Rate of up to 16.7% for fiscal years October 1, 2014 to September 30, 2016. The Agency used a 16.4% Indirect Cost Rate for the fiscal year ending September 30, 2015. The Indirect Cost allowed is calculated by multiplying the lower of the approved predetermined rate or the rate used by the Agency (16.4%) times the allocation base. The allocation base is the Agency's direct salaries and wages, including fringe benefits and is applicable to all programs. The use of the Indirect Cost Rate allows for an allocation process of the Agency's costs that are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular project or activity.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 3 - MANAGED CARE CONTRACT

The Agency's substance abuse treatment and rehabilitation services are being reimbursed under a managed care contract administered by Magellan Behavioral Health, Inc. The Agency received approximately 4% of its total support and revenue through this contract for the twelve months ended September 30, 2015. The Agency's managed care contract for its current five county service area has been renewed for fiscal year ending September 30, 2016.

NOTE 4 - DEPOSITS AND INVESTMENTS

The Agency's deposits at September 30, 2015 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the Agency or the Agency's agent in the Agency's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Investments are stated as indicated in Note 1. The composition of investments is as set forth below:

Equity securities	\$ <u>19,504</u>
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All equity securities are classified as available for sale. None of the \$19,504 of equity securities is covered by any form of insurance against loss.

Investment income and other changes in investments are comprised of the following for the year ended September 30, 2015:

Investment Income:	
Interest income	\$ 87
Dividend income	<u>463</u>
	<u>\$ 550</u>

Other Changes in Investments:	
Change in unrealized gains and (losses) on available for sale securities	<u>\$ ( 2,114)</u>



NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 5 - FAIR VALUE MEASUREMENTS

The Agency's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Agency measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 1 inputs were available for all investments at September 30, 2015.

*Level 1 Fair Value Measurements*

The fair value of publicly traded equity securities is based on quoted net asset values of the shares held by the Agency at year-end. Level 1 fair values for publicly traded equity securities using quoted prices on active markets for identical assets were \$19,504 at September 30, 2015.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the plant fund at September 30, 2015, categorized by acquiring program/source, is as follows:

<u>Acquiring Program/Source</u>	<u>Land and Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Head Start	\$ 66,453	\$ 85,363	\$ 136,655	\$ 288,471
Maternal Health/Child Health	--	--	5,643	5,643
Weatherization Assistance	--	45,392	6,405	51,797
Women, Infants and Children	--	21,847	--	21,847
Community Service Block Grant	--	21,851	--	21,851
General Agency	<u>2,231,020</u>	<u>19,609</u>	<u>64,196</u>	<u>2,314,825</u>
Total Cost	2,297,473	194,062	212,899	2,704,434
Less Accumulated Depreciation	<u>( 531,294)</u>	<u>( 122,296)</u>	<u>( 96,773)</u>	<u>( 750,363)</u>
Net	<u>\$1,766,179</u>	<u>\$ 71,766</u>	<u>\$ 116,126</u>	<u>\$1,954,071</u>

The components of the Agency's accumulated depreciation at September 30, 2015 are as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance Beginning of Year	\$ 443,487	\$ 96,581	\$ 134,150	\$ 674,218
Current Year Depreciation	87,807	25,715	16,690	130,212
Less Disposals	<u>--</u>	<u>--</u>	<u>( 54,067)</u>	<u>( 54,067)</u>
Balance End of Year	<u>\$ 531,294</u>	<u>\$ 122,296</u>	<u>\$ 96,773</u>	<u>\$ 750,363</u>

NOTE 7 - REVENUE BOND

The following is a summary of the revenue bond payable and related information at September 30, 2015:

Revenue bond payable	<u>\$ 1,107,510</u>
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The revenue bond was issued in December, 2008 in the amount of \$1,400,000. The bond was issued to finance the acquisition of land and a building to house the Agency's operations and is collateralized by a mortgage agreement on the Agency's real estate. The bond matures in 240 equal monthly installments of \$10,408, including interest at 6.5% per annum, through December, 2028.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 7 - REVENUE BOND - Continued

The principal and interest payments required on the bond for the next five and subsequent years are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 54,513	\$ 70,383	\$ 124,896
2017	58,164	66,732	124,896
2018	62,059	62,837	124,896
2019	66,216	58,680	124,896
2020	70,650	54,246	124,896
2021-2025	430,890	193,592	624,482
2026-2029	<u>365,018</u>	<u>40,897</u>	<u>405,915</u>
	<u>\$ 1,107,510</u>	<u>\$ 547,367</u>	<u>\$ 1,654,877</u>

NOTE 8 - LEASE COMMITMENT

New Opportunities, Inc. leases office space under operating leases which may be canceled by either party by giving written notice ranging from sixty to ninety days of their intention to vacate the lease. The Agency also leases copy machines and a mailing system under non-cancelable operating leases expiring through December, 2018.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of September 30, 2015 are as follows:

<u>Year Ending September 30,</u>	
2016	\$ 26,934
2017	26,934
2018	23,429
2019	<u>7,420</u>
Total minimum future rental payments	<u>\$ 84,717</u>

Rental expense under all non-cancelable operating leases for the year ended September 30, 2015 totaled approximately \$26,940.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 9 - PENSION AND RETIREMENT BENEFITS

Iowa Public Employees Retirement System

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is identified as a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.95% of their annual salary and the Agency is required to contribute 8.93% of annual covered payroll. Contribution requirements are established by State statute. The Agency's contribution to IPERS for the year ended September 30, 2015 was approximately \$235,600, equal to the required contribution for the year, while the employees contributed approximately \$162,000.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 10 - EARLY CHILDHOOD IOWA LOCAL AREA

The Agency acts as fiscal agent for Partnership 4 Families (the Organization), an Early Childhood Iowa area created by Audubon, Carroll, Greene, and Guthrie counties pursuant to the provisions of Chapter 256I of the Code of Iowa. The Organization receives state grants to administer early childhood and school ready programs. Financial transactions of the Organization are included in the Agency's financial statements as a Program Fund because of the Agency's fiduciary relationship with the Organization. The Organization's financial data for the year ended June 30, 2015 is as follows:

	Early Childhood Funds	School Ready Funds	Total
State of Iowa Grants:			
Early childhood	\$ 59,173	\$ --	\$ 59,173
Family support & parent education	--	236,358	236,358
Preschool support for low- income families	--	103,777	103,777
Quality improvement	--	58,041	58,041
Allocation for administration	3,114	13,093	16,207
Other grant programs	--	25,180	25,180
Total State of Iowa Grants	<u>62,287</u>	<u>436,449</u>	<u>498,736</u>
Additional funding from State of Iowa	225	2,425	2,650
Interest	<u>--</u>	<u>13</u>	<u>13</u>
Total Revenues	62,512	438,887	501,399
Program Services:			
Early childhood	55,945	--	55,945
Family support & parent education	--	236,118	236,118
Preschool support for low- income families	--	102,368	102,368
Quality improvement	--	69,522	69,522
Other program services	--	25,194	25,194
Total Program Services	<u>55,945</u>	<u>433,202</u>	<u>489,147</u>
Administration	<u>3,114</u>	<u>13,079</u>	<u>16,193</u>
Total Expenses	<u>59,059</u>	<u>446,281</u>	<u>505,340</u>
Net Change	3,453	( 7,394)	( 3,941)
Balances - beginning of year	<u>1</u>	<u>63,198</u>	<u>63,199</u>
Balances - end of year	<u>\$ 3,454</u>	<u>\$ 55,804</u>	<u>\$ 59,258</u>

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 10 - EARLY CHILDHOOD LOCAL AREA - Continued

Condensed Balance Sheet - Partnership 4 Families

Cash	\$ 106,753
Payable to Fiscal Agent	<u>( 47,495)</u>
Net Assets	<u>\$ 59,258</u>

Reconciliation from Partnership 4 Families June 30, 2015 Financial Data to New Opportunities, Inc. September 30, 2015 Financial Data

Total revenues from July 1, 2014 to June 30, 2015	\$ 501,399
Less revenues from July 1, 2014 to September 30, 2014	( 127,338)
Plus revenues from July 1, 2015 to September 30, 2015	125,715
Change in deferred revenue from September 30, 2014 to September 30, 2015	<u>( 15,437)</u>

Total Revenue Earned by New Opportunities, Inc. for Early Childhood Iowa for year ended September 30, 2015	<u>\$ 484,339</u>
--	-------------------

Total expenses from July 1, 2014 to June 30, 2015	\$ 505,340
Less expenses from July 1, 2014 to September 30, 2014	( 122,395)
Plus expenses from July 1, 2015 to September 30, 2015	<u>101,394</u>

Total expenses by New Opportunities, Inc. for Early Childhood Iowa for year ended September 30, 2015	<u>\$ 484,339</u>
--	-------------------

June 30, 2015 Net Assets	\$ 59,258
Plus revenues from July 1, 2015 to September 30, 2015	125,715
Less expenses from July 1, 2015 to September 30, 2015	<u>( 101,394)</u>

September 30, 2015 Net Assets - Deferred Revenue for New Opportunities, Inc.	<u>\$ 83,579</u>
--	------------------

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2015

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Line of Credit

The Agency has established an open-end line of credit with a local bank with a face amount of \$200,000. The line of credit carries a variable interest rate (4.50% at September 30, 2015) and there was no amount borrowed on the line at September 30, 2015. The agreement expires in April, 2016.

Federal Assistance Grants

New Opportunities, Inc. receives a significant portion of its revenues from government grants and contracts, all of which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits, therefore no liability is accrued on these financial statements.

Agency Risk Management

New Opportunities, Inc. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Subsequent Event

The Agency has evaluated all subsequent events through February 1, 2016, the date the financial statements were available to be issued.

\* \* \*

## SUPPLEMENTAL INFORMATION



NEW OPPORTUNITIES, INC.  
Schedule of Activities - Program Funds  
Year Ended September 30, 2015

	Head Start - Early Head Start	CSBG	County Outreach
Revenues:			
Governmental Funding Sources:			
Iowa Department of Human Rights	\$ --	\$ 205,068	\$ 159,213
U.S. Department of Health and Human Services	2,118,021	--	--
Iowa Department of Public Health	--	--	--
Iowa Department of Education	72,137	--	4,183
Iowa Department of Human Services	--	--	2,151
U.S. Department of Homeland Security	--	--	7,603
Various	--	--	--
In-Kind Contributions	607,844	--	--
Public Support and Contributions	--	--	232,517
Co-funding	--	--	59,386
Investment Income	--	--	--
Miscellaneous	--	--	2,500
	<hr/>	<hr/>	<hr/>
Total Revenues	2,798,002	205,068	467,553
Expenses:			
Salaries and wages	1,022,561	64,407	102,873
Fringe benefits	327,632	18,709	41,259
Assistance to individuals	138,924	--	204,712
Professional fees and contracted services	41,125	2,102	3,275
Travel	51,828	5,117	12,631
Occupancy	129,040	2,971	23,885
Utilities and telephone	32,728	1,629	7,576
Supplies and materials	113,677	4,673	25,824
Equipment	55,258	335	8,384
Printing, publications and postage	12,174	3,457	2,680
Insurance	13,163	986	1,325
Miscellaneous	30,616	1,609	9,491
Co-Funding	--	85,442	--
In-Kind:			
Labor	73,346	--	--
Materials and other	534,498	--	--
	<hr/>	<hr/>	<hr/>
Total Expenses Before Allocation of Indirect Costs	2,576,570	191,437	443,915
Allocation of Indirect Costs	221,432	13,631	23,638
	<hr/>	<hr/>	<hr/>
Total Expenses	2,798,002	205,068	467,553
Change in Net Assets	--	--	--
Net Assets (Deficit) at Beginning of Year	--	--	( 39,164)
Net Assets (Deficit) at End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$( 39,164)</u>

(continued next page)

<u>CACFP</u>	<u>WIC</u>	<u>Child Health</u>	<u>Dental Health</u>	<u>Maternal Health</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	397,906	144,963	11,078	36,784
364,742	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	1,262	--	1,351	--
--	--	--	--	--
--	--	( 6,976)	--	63,447
364,742	399,168	137,987	12,429	100,231
34,846	175,223	68,257	4,545	54,720
12,031	59,371	23,406	1,306	17,328
286,203	19,293	--	2,047	--
2,932	20,822	1,849	--	5,608
9,801	7,101	1,749	2,209	2,210
3,034	28,432	5,450	--	4,648
1,385	5,275	2,274	144	1,080
3,488	25,429	9,098	1,218	1,259
3	7,486	574	--	5
1,590	2,318	2,060	--	487
270	2,029	554	--	385
1,471	7,916	7,336	--	685
--	--	--	--	--
--	--	--	--	--
357,054	360,695	122,607	11,469	88,415
7,688	38,473	15,380	960	11,816
364,742	399,168	137,987	12,429	100,231
--	--	--	--	--
( 9,786)	2,414	( 25,805)	( 13)	( 17,491)
<u>\$( 9,786)</u>	<u>\$ 2,414</u>	<u>\$( 25,805)</u>	<u>\$( 13)</u>	<u>\$( 17,491)</u>

NEW OPPORTUNITIES, INC.  
Schedule of Activities - Program Funds - Continued  
Year Ended September 30, 2015

	Family Planning	Hawk-I	1 <sup>st</sup> Five
Revenues:			
Governmental Funding Sources:			
Iowa Department of Human Rights	\$ --	\$ --	\$ --
U.S. Department of Health and Human Services	--	--	--
Iowa Department of Public Health	205,998	8,978	126,751
Iowa Department of Education	--	--	--
Iowa Department of Human Services	--	--	--
U.S. Department of Homeland Security	--	--	--
Various	--	--	--
In-Kind Contributions	--	--	--
Public Support and Contributions	1,835	--	--
Co-funding	--	1,134	1,740
Investment Income	--	--	--
Miscellaneous	27,433	--	250
Total Revenues	235,266	10,112	128,741
Expenses:			
Salaries and wages	66,914	3,615	60,815
Fringe benefits	20,773	1,122	20,399
Assistance to individuals	--	--	--
Professional fees and contracted services	59,934	3,243	--
Travel	4,074	282	5,022
Occupancy	10,845	--	10
Utilities and telephone	2,215	2	1,349
Supplies and materials	20,405	456	12,976
Equipment	13,152	--	4,670
Printing, publications and postage	1,011	84	310
Insurance	2,080	--	57
Miscellaneous	19,482	531	9,814
Co-Funding	--	--	--
In-Kind:			
Labor	--	--	--
Materials and other	--	--	--
Total Expenses Before Allocation of Indirect Costs	220,885	9,335	115,422
Allocation of Indirect Costs	14,381	777	13,319
Total Expenses	235,266	10,112	128,741
Change in Net Assets	--	--	--
Net Assets (Deficit) at Beginning of Year	( 14,239)	( 168)	--
Net Assets (Deficit) at End of Year	\$( 14,239)	\$( 168)	\$ --

(continued next page)

<u>I-Smile</u>	<u>Child Lead</u>	<u>LIHEAP</u>	<u>HEAP</u>
\$ --	\$ --	\$ 1,814,012	\$ 284,250
--	--	--	--
--	6,597	--	--
--	--	--	--
61,586	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
20,746	--	--	--
816	--	--	--
--	--	--	--
<u>49,263</u>	<u>38,554</u>	<u>--</u>	<u>--</u>
132,411	45,151	1,814,012	284,250
74,841	21,749	83,597	1,919
23,661	8,247	33,882	619
--	--	1,640,251	164,138
4,209	1,738	1,090	--
3,422	149	4,628	( 244)
3,896	1,373	10,289	--
1,285	169	5,346	--
2,806	9,723	7,448	--
4	1	2,666	1,840
254	245	4,065	--
331	154	588	2,371
1,548	18	895	113,607
--	--	--	--
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
116,257	43,566	1,794,745	284,250
<u>16,154</u>	<u>4,919</u>	<u>19,267</u>	<u>--</u>
<u>132,411</u>	<u>48,485</u>	<u>1,814,012</u>	<u>284,250</u>
--	( 3,334)	--	--
<u>( 916)</u>	<u>10,908</u>	<u>--</u>	<u>--</u>
<u>\$( 916)</u>	<u>\$ 7,574</u>	<u>\$ --</u>	<u>\$ --</u>

NEW OPPORTUNITIES, INC.  
Schedule of Activities - Program Funds - Continued  
Year Ended September 30, 2015

	Weatherization Assistance Programs		Substance Abuse Prevention
	Department of Energy	Utility Company	
Revenues:			
Governmental Funding Sources:			
Iowa Department of Human Rights	\$ 151,023	\$ 178,584	\$ --
U.S. Department of Health and Human Services	--	--	--
Iowa Department of Public Health	--	--	293,077
Iowa Department of Education	--	--	--
Iowa Department of Human Services	--	--	49,648
U.S. Department of Homeland Security	--	--	--
Various	--	--	--
In-Kind Contributions	--	--	--
Public Support and Contributions	--	--	106,752
Co-funding	--	--	277
Investment Income	--	--	1
Miscellaneous	--	--	45,643
Total Revenues	151,023	178,584	495,398
Expenses:			
Salaries and wages	--	--	215,380
Fringe benefits	--	--	78,791
Assistance to individuals	79,694	144,828	1
Professional fees and contracted services	--	--	7,944
Travel	--	--	28,318
Occupancy	--	--	12,535
Utilities and telephone	--	--	6,054
Supplies and materials	--	--	76,096
Equipment	--	--	7,311
Printing, publications and postage	--	--	2,569
Insurance	--	--	1,350
Miscellaneous	71,329	33,756	9,692
Co-Funding	--	--	--
In-Kind:			
Labor	--	--	--
Materials and other	--	--	--
Total Expenses Before Allocation of Indirect Costs	151,023	178,584	446,041
Allocation of Indirect Costs	--	--	48,244
Total Expenses	151,023	178,584	494,285
Change in Net Assets	--	--	1,113
Net Assets (Deficit) at Beginning of Year	--	--	86,365
Net Assets (Deficit) at End of Year	\$ --	\$ --	\$ 87,478

See accompanying independent auditor's report.

Substance Abuse Treatment	Early Childhood Iowa	Other	Eliminations	Total
\$ --	\$ --	\$ --	\$ --	\$ 2,792,150
--	--	--	--	2,118,021
450,752	--	20,652	--	1,703,536
--	423,755	--	--	864,817
--	60,584	66,521	--	240,490
--	--	--	--	7,603
100	--	33,130	--	33,230
--	--	--	--	607,844
32,018	--	60,937	--	454,805
--	--	19,476	--	85,442
--	--	--	--	1
<u>279,914</u>	<u>--</u>	<u>263,625</u>	<u>( 201,154)</u>	<u>562,499</u>
762,784	484,339	464,341	( 201,154)	9,470,438
260,030	42,318	195,057	--	2,553,667
85,032	12,315	64,988	--	850,871
26,753	333,133	73,326	--	3,113,303
11,688	73,504	10,134	--	251,197
17,475	4,938	23,439	--	184,149
44,539	3,000	15,035	--	298,982
11,077	715	7,090	--	87,393
22,997	3,666	12,547	--	353,786
66,588	330	3,834	--	172,441
6,706	330	1,147	--	41,487
2,240	1,446	2,902	--	32,231
9,687	8,644	9,475	( 201,154)	146,448
--	--	--	--	85,442
--	--	--	--	73,346
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>534,498</u>
564,812	484,339	418,974	( 201,154)	8,779,241
<u>56,590</u>	<u>--</u>	<u>42,715</u>	<u>--</u>	<u>549,384</u>
<u>621,402</u>	<u>484,339</u>	<u>461,689</u>	<u>( 201,154)</u>	<u>9,328,625</u>
141,382	--	2,652	--	141,813
<u>477,695</u>	<u>--</u>	<u>( 161,594)</u>	<u>--</u>	<u>308,206</u>
<u>\$ 619,077</u>	<u>\$ --</u>	<u>\$( 158,942)</u>	<u>\$ --</u>	<u>\$ 450,019</u>

NEW OPPORTUNITIES, INC.  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Grant or Program Number
U.S. Department of Health and Human Services		
Direct Programs		
Head Start Program	93.600	07CH 7055/02
Head Start Program	93.600	07CH 7055/03
Early Head Start	93.600	07CH 7055/02
Early Head Start	93.600	07CH 7055/03
Indirect Programs		
Passed through Iowa Department of Human Rights		
Low-Income Home Energy Assistance Program	93.568	LIHEAP-15-01
Weatherization Assistance	93.568	HEAP 14-01
Weatherization Assistance	93.568	HEAP 15-01
Community Services Block Grant	93.569	CSBG 14-01
Community Services Block Grant	93.569	CSBG 15-01
Passed through Iowa Department of Public Health		
Family Planning	93.217	5885 MH07
Abstinence Education Grant Program	93.235	5886 CH04A
Suicide Screening in Substance Abuse Treatment Centers	93.243	5885 SM42
Comprehensive Substance Abuse Prevention - SPF SIG	93.243	5885 CP04
Iowa Recovery Health Information Technology	93.243	5885 SA35
Access to Recovery	93.243	5885 AC07
Iowa Partnerships for Success	93.243	5885 IP33
Iowa Partnerships for Success	93.243	5885 IP34
Access to Recovery	93.275	5881 AC07
Expansion of School Based Dental Sealant Program	93.283	5885DH13
Community Based Strategies for a Healthier Iowa	93.531	5U58DP003554-03
Comprehensive Substance Abuse Prevention	93.959	5885 CP04
Comprehensive Substance Abuse Prevention	93.959	5885 CP04
Substance Abuse Prevention and Treatment Block Grant	93.959	MIS-209851-000
Substance Abuse Prevention and Treatment Block Grant	93.959	MIS-209851-000
Expansion of School Based Dental Sealant Program	93.994	5885DH13
Maternal Health	93.994	5885 MH07
Child Health	93.994	5885 MH07
Dental Health	93.994	5885 MH07

(continued next page)

<u>Period of Grant</u>	<u>Federal Expenditures</u>
12/01/13 - 11/30/14	\$ 417,522
12/01/14 - 11/30/15	1,252,608
12/01/13 - 11/30/14	87,697
12/01/14 - 11/30/15	<u>360,194</u>
	2,118,021
10/01/14 - 09/30/15	1,814,012
01/01/14 - 12/31/14	115,757
01/01/15 - 12/31/15	<u>168,493</u>
	2,098,262
10/01/13 - 09/30/15	189,437
10/01/14 - 12/31/15	<u>15,631</u>
	205,068
10/01/14 - 09/30/15	205,998
08/01/15 - 07/31/16	7,383
07/01/14 - 09/29/15	18,000
07/01/14 - 01/31/15	71,150
07/01/14 - 12/31/15	17,232
10/01/14 - 09/29/17	62,814
02/01/15 - 09/29/15	48,877
02/01/15 - 09/29/15	<u>49,404</u>
	267,477
12/01/10 - 09/30/14	780
10/01/14 - 09/30/15	1,900
09/01/14 - 08/31/15	125
07/01/14 - 06/30/15	45,624
07/01/15 - 06/30/16	11,932
07/01/14 - 06/30/15	82,756
07/01/15 - 12/31/15	<u>27,275</u>
	167,587
10/01/14 - 09/30/15	2,038
10/01/14 - 09/30/15	26,347
10/01/14 - 09/30/15	39,880
10/01/14 - 09/30/15	<u>4,776</u>
	73,041



NEW OPPORTUNITIES, INC.  
Schedule of Expenditures of Federal Awards - continued  
Year Ended September 30, 2015

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant or Program Number</u>
U.S. Department of Health and Human Services		
Indirect Programs - Continued		
Passed through Iowa Department of Human Services		
Iowa Child Abuse Prevention Program	93.556	ACFS-14-078
Iowa Child Abuse Prevention Program	93.556	ACFS-16-105
 Community for Adolescent Pregnancy Prevention	 93.558	 ACFS-14-187
Community for Adolescent Pregnancy Prevention	93.558	ACFS-14-187
Iowa Child Abuse Prevention Program	93.558	ACFS-14-078
Iowa Child Abuse Prevention Program	93.558	ACFS-16-105
 Social Services Block Grant	 93.667	 V2010-05-05
Social Services Block Grant	93.667	V2010-05-05
 Iowa Child Abuse Prevention Program	 93.669	 ACFS-14-078
Iowa Child Abuse Prevention Program	93.669	ACFS-16-105
 I-Smile	 93.778	 5885-MH07
<i>Total U.S. Department of Health and Human Services</i>		
U.S. Department of Homeland Security		
Direct Program		
Emergency Food and Shelter Program	97.024	EFSP - Phase 31
<i>Total U.S. Department of Homeland Security</i>		
U.S. Department of Energy		
Indirect Programs		
Passed through Iowa Department of Human Rights		
Weatherization Assistance	81.042	DOE-15-01
<i>Total U.S. Department of Energy</i>		
U.S. Department of Agriculture		
Indirect Programs		
Passed through Iowa Department of Public Health		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5885 A033
Passed through Iowa Department of Education		
Child and Adult Care Food Program (Day Care Homes)	10.558	14-8015
Child and Adult Care Food Program (Head Start)	10.558	14-8010
 Summer Food Service Program	 10.559	 14-8010

(continued next page)

<u>Period of Grant</u>	<u>Federal Expenditures</u>
07/01/14 - 06/30/15	\$ 3,548
07/01/15 - 06/30/16	<u>897</u>
	4,445
07/01/14 - 06/30/15	53,543
07/01/15 - 06/30/16	<u>12,978</u>
07/01/14 - 06/30/15	607
07/01/15 - 06/30/16	<u>154</u>
	67,282
07/01/14 - 06/30/15	692
07/01/15 - 06/30/16	<u>231</u>
	923
07/01/14 - 06/30/15	24
07/01/15 - 06/30/16	<u>6</u>
	30
10/01/14 - 09/30/15	<u>30,793</u>
	5,249,115
09/01/13 - 10/31/14	<u>7,603</u>
	7,603
04/01/15 - 03/31/16	<u>151,023</u>
	151,023
10/01/14 - 09/30/15	397,906
10/01/14 - 09/30/15	364,742
10/01/14 - 09/30/15	<u>72,137</u>
	436,879
10/01/14 - 09/30/15	4,183

NEW OPPORTUNITIES, INC.  
Schedule of Expenditures of Federal Awards - continued  
Year Ended September 30, 2015

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant or Program Number</u>
U.S. Department of Agriculture		
Indirect Programs		
Passed through Iowa Department of Agriculture & Land Stewardship		
Farmers Market	10.572	31A810850
<i>Total U.S. Department of Agriculture</i>		
U.S. Department of Housing & Urban Development		
Indirect Program		
Passed through Iowa Community Action Association		
Tennant Based Rental Assistance	14.239	13P-763
<i>Total U.S. Department of Housing &amp; Urban Development</i>		
U.S. Department of Justice:		
Indirect Program		
Passed through Iowa Coalition Against Domestic Violence		
Rural Domestic Violence and Child Victimization Enforcement		
Grant		
Iowa Coalition Against Domestic Violence	16.589	ISP
<i>Total U.S. Department of Justice:</i>		
Total Expenditures of Federal Awards		
<i>Total Direct Programs</i>		
<i>Total Indirect Programs</i>		

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of New Opportunities, Inc., and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See accompanying independent auditor's report.

<u>Period of Grant</u>	<u>Federal Expenditures</u>
05/01/15 - 12/31/18	\$ <u>611</u>
	<u>839,579</u>
10/01/13 - 09/30/15	<u>14,668</u>
	14,668
04/01/15 - 09/30/17	<u>100</u>
	<u>100</u>
	<u>\$ 6,262,088</u>
	\$ 2,125,624
	\$ 4,136,464

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared to Budget  
Community Services Block Grants  
Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract Number CSBG 14-01</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 189,437	\$ 189,437	\$ --
Program Expenditures:			
Personnel	\$ 82,077	\$ 83,115	\$( 1,038)
Travel	4,620	5,117	( 497)
Space Costs	4,693	4,299	394
Equipment	1,377	613	764
Co-Funded Programs	66,598	69,811	( 3,213)
Other Costs	16,470	12,851	3,619
Indirect Costs	13,602	13,631	( 29)
Total Expenditures	\$ 189,437	\$ 189,437	\$ --
<u>Contract Number CSBG 15-01</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 228,998	\$ 15,631	\$ 213,367
Program Expenditures:			
Personnel	\$ 86,400	\$ --	\$ 86,400
Travel	5,500	--	5,500
Space Costs	4,100	--	4,100
Equipment	2,500	--	2,500
Co-Funded Programs	104,035	15,631	88,404
Other Costs	12,563	--	12,563
Indirect Costs	13,900	--	13,900
Total Expenditures	\$ 228,998	\$ 15,631	\$ 213,367

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
 Schedule of Revenues and Expenditures Compared to Budget  
 Low-Income Home Energy Assistance Program  
 Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract Number LIHEAP-15-01-B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 1,863,500	\$ 1,814,012	\$ 49,488
Program Expenditures:			
Regular Assistance	\$ 1,415,128	\$ 1,365,640	\$ 49,488
Energy Crisis Intervention Payments	84,017	84,017	--
Client Services	21,004	21,004	--
Summer Deliverable Fuel Program	190,594	190,594	--
Administration Costs	152,757	152,757	--
Total Expenditures	\$ 1,863,500	\$ 1,814,012	\$ 49,488

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared to Budget  
Weatherization Assistance Programs  
Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract Number HEAP 14-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 339,646	\$ 115,757	\$ 223,889
Program Expenditures:			
Administration Costs	\$ 28,063	\$ 18,270	\$ 9,793
Weatherization Materials	98,964	13,441	85,523
Support Costs	76,100	29,835	46,265
Labor	98,389	17,496	80,893
Health and Safety	( 1,382)	30,572	( 31,954)
Equipment and Training	28,112	( 1,057)	29,169
Special Project - Knob & Tube	11,400	7,200	4,200
Total Expenditures	\$ 339,646	\$ 115,757	\$ 223,889
<u>Contract Number HEAP 15-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 803,745	\$ 168,493	\$ 635,252
Program Expenditures:			
Administration Costs	\$ 38,965	\$ 1,516	\$ 37,449
Weatherization Materials	173,882	17,879	156,003
Support Costs	210,090	46,448	163,642
Labor	173,882	18,969	154,913
Health and Safety	156,655	65,781	90,874
Equipment and Training	30,000	7,529	22,471
Pollution Occurrence Insurance	2,371	2,371	--
Special Project - Knob & Tube	17,900	8,000	9,900
Total Expenditures	\$ 803,745	\$ 168,493	\$ 635,252

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared to Budget  
Weatherization Assistance Programs  
Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract Number DOE-14-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$       --	\$       --	\$       --
Program Expenditures:			
Administration Costs	\$       --	\$       --	\$       --
Weatherization Materials	13,085	--	13,085
Support Costs	( 15,266)	--	( 15,266)
Labor	9,633	--	9,633
Health and Safety	( 7,452)	--	( 7,452)
Total Expenditures	<u>\$       --</u>	<u>\$       --</u>	<u>\$       --</u>
 <u>Contract Number DOE-15-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 151,023	\$ 151,023	\$       --
Program Expenditures:			
Administration Costs	\$ 15,905	\$ 15,905	\$       --
Weatherization Materials	36,729	24,814	11,915
Support Costs	35,020	55,424	( 20,404)
Labor	36,729	28,080	8,649
Health and Safety	26,640	26,800	( 160)
Total Expenditures	<u>\$ 151,023</u>	<u>\$ 151,023</u>	<u>\$       --</u>

See accompanying independent auditor's report.



NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared to Budget  
Weatherization Assistance Programs  
Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract Number BHE 14-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 10,549	\$ 10,549	\$ --
Program Expenditures:			
Administration Costs	\$ 1,259	\$ 1,259	\$ --
Support Costs	951	951	--
Labor	3,562	4,520	( 958)
Weatherization Materials	4,777	3,819	958
Total Expenditures	\$ 10,549	\$ 10,549	\$ --
<u>Contract Number IPL 14-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 21,099	\$ 21,099	\$ --
Program Expenditures:			
Administration Costs	\$ 3,574	\$ 3,574	\$ --
Support Costs	1,750	1,750	--
Labor	7,595	8,141	( 546)
Weatherization Materials	8,180	7,634	546
Total Expenditures	\$ 21,099	\$ 21,099	\$ --
<u>Contract Number MEC 14-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 58	\$ --	\$ 58
Program Expenditures:			
Support Costs	\$ 114	\$ --	\$ 114
Labor	3,047	--	3,047
Weatherization Materials	( 3,103)	--	( 3,103)
Total Expenditures	\$ 58	\$ --	\$ 58

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared to Budget  
Weatherization Assistance Programs  
Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract Number BHE 15-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 23,546	\$ 20,799	\$ 2,747
Program Expenditures:			
Administrative Costs	\$ 1,177	\$ 1,177	\$ --
Support Costs	2,355	2,102	253
Labor	10,007	9,266	741
Weatherization Materials	10,007	8,254	1,753
Total Expenditures	\$ 23,546	\$ 20,799	\$ 2,747
<u>Contract Number IPL 15-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 94,967	\$ 36,683	\$ 58,284
Program Expenditures:			
Administrative Costs	\$ 4,748	\$ 4,748	\$ --
Support Costs	9,497	3,444	6,053
Labor	40,361	15,968	24,393
Weatherization Materials	40,361	12,523	27,838
Total Expenditures	\$ 94,967	\$ 36,683	\$ 58,284
<u>Contract Number MEC 15-01B</u>			
Program Revenues:			
Iowa Department of Human Rights	\$ 113,103	\$ 89,454	\$ 23,649
Program Expenditures:			
Administrative Costs	\$ 5,655	\$ 5,655	\$ --
Support Costs	11,310	9,096	2,214
Labor	48,069	40,450	7,619
Weatherization Materials	48,069	34,253	13,816
Total Expenditures	\$ 113,103	\$ 89,454	\$ 23,649

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures  
Administrative Fund  
Year Ended September 30, 2015

	<u>Miscellaneous</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
Revenues:			
Investment Income	\$ 549	\$ --	\$ 549
Rental Income	121,533	--	121,533
Miscellaneous	<u>5,820</u>	<u>--</u>	<u>5,820</u>
Total Revenues	<u>\$ 127,902</u>	<u>\$ --</u>	<u>\$ 127,902</u>
Expenditures:			
Salaries and Wages	\$ --	\$ 352,848	\$ 352,848
Fringe Benefits	90	112,283	112,373
Professional Fees and Contracted Services	5,506	21,995	27,501
Travel	411	5,104	5,515
Occupancy	1,408	17,889	19,297
Utilities and Telephone	164	6,429	6,593
Supplies and Materials	947	19,864	20,811
Equipment	1	--	1
Printing, Publications and Postage	242	2,374	2,616
Insurance	23	4,262	4,285
Interest Expense	73,805	--	73,805
Amortization	1,584	--	1,584
Miscellaneous	<u>5,019</u>	<u>6,516</u>	<u>11,535</u>
Total Expenditures Before Allocation of Indirect Costs	89,200	549,564	638,764
Allocation of Indirect Costs	<u>15</u>	<u>( 549,399)</u>	<u>( 549,384)</u>
Total Expenditures	<u>\$ 89,215</u>	<u>\$ 165</u>	<u>\$ 89,380</u>

See accompanying independent auditor's report.

## COMMENTS AND RECOMMENDATIONS

# Gronewold, Bell, Kyhnn & Co. P.C.

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DAVID A. GINTHER

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Board of Directors of  
New Opportunities, Inc.  
Carroll, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Opportunities, Inc., as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise New Opportunities, Inc.'s basic financial statements and have issued our report thereon dated February 1, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Opportunities, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Opportunities, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of New Opportunities, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors of  
New Opportunities, Inc.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Opportunities, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Agency's operations for the year ended September 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Agency. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Donnell, Bill, Hugh - W. P. C.*

Atlantic, Iowa  
February 1, 2016

# Gronewold, Bell, Kyhnn & Co. P.C.

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## Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133

To the Board of Directors of  
New Opportunities, Inc.  
Carroll, Iowa

### Report on Compliance for Each Major Federal Program

We have audited New Opportunities, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of New Opportunities, Inc.'s major federal programs for the year ended September 30, 2015. The Agency's major federal programs are identified in the summary of the independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management of New Opportunities, Inc. is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

To the Board of Directors of  
New Opportunities, Inc.

### Opinion on Each Major Federal Program

In our opinion, New Opportunities, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

### Report on Internal Control Over Compliance

Management of New Opportunities, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

 + W. P. C.

Atlantic, Iowa  
February 1, 2016



NEW OPPORTUNITIES, INC.

Schedule of Findings and Questioned Costs

Year ended September 30, 2015

PART I: Summary of the Independent Auditor's Results

*Financial Statements*

(a) Type of auditor's report issued:

- Unmodified.

(b) Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

(c) Noncompliance material to financial statements noted?

☐ yes ☒ no

*Federal Awards*

(d) Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

(e) Type of auditor's report issued on compliance for major program:

- Unmodified.

(f) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the OMB Circular A-133?

☐ yes ☒ no

(g) Identification of major programs:

Low Income Home Energy Assistance Program:

- CFDA Number 93.568

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):

- CFDA Number 10.557

(h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.

(i) Auditee qualified as low-risk auditee?

☒ yes ☐ no

NEW OPPORTUNITIES, INC.  
Schedule of Findings and Questioned Costs  
Year ended September 30, 2015

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON- COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:

None

Part IV: Other Findings Related to Required Statutory Reporting:

Early Childhood Iowa Area Board: New Opportunities, Inc. (the Agency) is the fiscal agent for Partnership 4 Families (the Organization), an Early Childhood Iowa organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Organization are included in the Agency's financial statements because of the Agency's fiduciary relationship with the Organization. A reconciliation of the Organization's June 30, 2015 financial data to the Agency's September 30, 2015 financial data is included as part of Note 10 to the financial statements.

No instances of non-compliance were noted as a result of the audit procedures performed.

\* \* \*